

## Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 SIG-03 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 PA-01 /067 R

DRAFTED BY EA/ROC:STAFF:ARCK  
APPROVED BY EA/ROC:HJFELDMAN  
-----009591 140309Z /75

R 132123Z JUL 78  
FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
XMT AMEMBASSY PORT MORESBY

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E.O. 11652:N/A

TAGS:EFIN, PEPR, SCUL, TW

SUBJECT:EA/ROC WEEKLY STATUS REPORT

### 1. AFTER EFFECTS OF REVALUATION (LIMITED OFFICIAL USE)

EMBASSY REPORTING FOLLOWING THE JULY 10 REVALUATION OF TAIWAN'S CURRENCY (A 5.3 CHANGE IN THE VALUE OF THE \$NT FROM 38 TO 36 TO THE \$US) REVEALS CONSIDERABLE CONFUSION IN TAIPEI OVER HOW THE NEW "ADJUSTABLE PEG" SYSTEM WILL FUNCTION. THE ROC CURRENCY APPARENTLY STILL IS PEGGED TO THE U.S. DOLLAR, BUT FUTURE CHANGES IN ITS VALUE COULD BE MORE FREQUENT. PRESUMABLY, THE GROC IS MOVING TOWARD A SYSTEM OF FREELY FLUCTUATING EXCHANGE RATES. HOWEVER, THERE IS SOME RELUCTANCE TO FLOAT THE \$NT BECAUSE OF THE EXPECTED ADVERSE IMPACT ON THE CURRENCY'S VALUE OF EVENTUAL NORMALIZATION OF US/PRC DIPLOMATIC RELATIONS AND OTHER POLITICAL DEVELOPMENTS WHICH WOULD BE INTERPRETED

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BY FOREIGN CURRENCY MARKETS AS UNFAVORABLE TO TAIWAN'S FUTURE STATUS. WE AGREE WITH THE EMBASSY'S ASSESSMENT THAT THE REVALUATION WAS TOO SMALL TO HAVE MUCH EFFECT ON THE ROC'S TRADE SURPLUS OR MOUNTING INFLATIONARY PRESSURES.

### 2. U.S. LETTER WRITING CAMPAIGN (LIMITED OFFICIAL USE)

CHARLES MOSER OF THE COMMITTEE FOR A FREE CHINA HAS INSTIGATED A LETTER WRITING CAMPAIGN BY AMERICANS OPPOSED TO NORMALIZATION. IN THE LAST THREE DAYS, EA/ROC HAS RECEIVED ABOUT 100 LETTERS ADDRESSED TO YOU, WITH COPIES TO CONGRESSMEN, DENOUNCING THE USG FOR "ABANDONING" TAIWAN AND "CURRYING FAVOR" WITH THE PRC. WE ARE ARRANGING FOR PA TO ANSWER THIS MAIL.

3. ROC "GOODWILL" TOUR SEASON IN FULL SWING (LIMITED OFFICIAL USE)

AS HAS BEEN THE CASE IN RECENT YEARS, ABOUT TWO DOZEN ROC "GOODWILL" GROUPS (LITTLE LEAGUE TEAMS, SYMPHONY ORCHESTRAS, RELIGIOUS CHOIRS, YOUTH CHORUSES, ETC.) WILL BE BLANKETING THE U.S. DURING THE SUMMER MONTHS. ALTHOUGH ICA HAS IDENTIFIED SEVERAL APPARENTLY ACCIDENTAL OVERLAPS BETWEEN THESE ROC GROUPS AND VISITING PRC DELEGATIONS, NO POTENTIALLY EMBARRASSING CONFLICTS HAVE YET APPEARED. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, SITREP, FOREIGN RELATIONS, POLITICAL SUMMARIES  
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**Draft Date:** 13 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014